

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4780-05  
Bill No.: HCS for SB 631  
Subject: Elections; Military Affairs  
Type: Original  
Date: May 12, 2014

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Bill Summary: This proposal modifies provisions relating to elections.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 to Up to \$53,500	\$0 to Up to \$53,500	\$0 or up to \$53,500
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or Up to \$53,500</b>	<b>\$0 or Up to \$53,500</b>	<b>\$0 or Up to \$53,500</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>\$0 or Up to \$5,350,000</b>	<b>\$0 or Up to \$5,350,000</b>	<b>\$0 or Up to \$5,350,000</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Section 67.585, RSMo. - Clay County Recreation and Community Center**

This provision would authorize a 0.5 percent sales tax in Clay county through the creation of a recreational and community center district to be used for new and existing community centers.

Officials from **Clay County** did not respond to our request for information on similar language in HB 2192 LR 6017-03.

In response to similar legislation filed this year, SB 584, officials from the **Office of Administration - Division of Budget and Planning (BAP)** assumed in similar provisions in HCS for SB 693 would allow the Liberty School District to request voter approval for a 0.5-cent sales tax to fund the construction of a new community center. BAP officials noted the Department of Revenue (DOR) does not provide taxable sales data by school district, but stated most recent DOR report shows taxable sales for the City of Liberty were \$412.8 million in 2013. BAP officials estimated a 0.5-cent tax on those sales would generate \$2.1 million annually, but stated it is likely the boundaries of the school district differ from those of the City, and noted Total State Revenues would increase to the extent DOR retains a 1% collection fee on the additional sales tax revenues.

In response to similar legislation filed this year, HB 2192, officials from the **University of Missouri - Economic and Policy Analysis Research Center (EPARC)** assumed this would, if enacted, authorize a .5 percent sales tax in Clay County through the creation of a recreational and community center district to be used for new and existing community centers. This 0.5 percent sales tax could not be imposed unless it is approved by Clay County voters. Since the 0.5 percent sales could not be imposed until it is approved by the voters of Clay County, the initial enactment of this bill would have no impact. However, if Clay County voters approve the sales tax it is anticipated that it would generate the same amount of revenue as their current county sales tax which is also imposed at a rate of 0.5 percent.

EPARC officials stated their records indicate the Clay County sales tax, imposed at 0.5 percent, generated an average of \$14,525,039.78 in collections over the last three years. EPARC officials assumed the sales tax authorized in this bill would generate identical collections if approved by Clay County voters.

If the voters in the Clay County School District approve this proposed sales tax, the State of Missouri would retain 1% of revenues as a collection fee. Therefore, if the sales tax is approved by Clay County voters, the estimated impact on state revenues would be an increase of \$145,250

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ASSUMPTION (continued)

from the 1% collection fee.

Officials from the **Department of Revenue (DOR)** assumed this would require computer programming changes to the sales tax program, and provided an estimate of the IT cost of \$4,586 for 168 hours of programming to make changes to DOR systems.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR officials did not include an estimate of administrative cost to implement this proposal, and Oversight assumes any administrative cost would be minimal and could be absorbed with existing resources.

In response to similar legislation filed this year, HB 2192, officials from the **Office of the Secretary of State** assumed there would be no fiscal impact.

**Oversight** notes this proposal would allow a sales tax to be levied at no more than 0.5%, and assumes this proposal would limit the sales tax to the area included in the school district boundaries and not the full county. Therefore, Oversight is not able to determine what the actual tax rate would be if enacted by Clay County and approved by the voters in the school district or how much sales tax would be collected within the school district boundaries.

Therefore, **Oversight** will show the impact as \$0 (sales tax not implemented) or up to the estimate provided by BAP. If the sales tax is enacted, the Department of Revenue would receive a 1% collection fee. Oversight will show the impact to General Revenue of \$0 (sales tax not implemented) up to the estimate provided by BAP.

§94.902 - Public Safety Sales Tax in Liberty and North Kansas City

In response to a similar proposal from this year (HB 1443), officials at the **Department of Revenue (DOR)** assumed this section of the law gives North Kansas City the authority to impose a sales tax for public safety improvements. ITSD for DOR requires 40 hours of coding to support a new sales tax item. At \$27.30 per hour, the estimated cost would be \$1,092. This legislation does not create an additional impact for the Department.

ASSUMPTION (continued)

**Oversight** assumes this cost to be minimal and therefore absorbable within current funding levels.

In response to a similar proposal from this year, HB 1443, officials at the **City of Kansas City** assumed no fiscal impact from this proposal.

In response to similar legislation filed this year, SB 607, officials from the **BAP** state according to DOR's sales tax report, taxable sales in Liberty totaled \$377.9 million in calendar 2013. Therefore, this sales tax might generate \$1.9 million for the city. The revenues collected will have no impact on general or total state revenues; however, 1% will be retained in General Revenue to offset DOR's collection costs. Therefore, general and total state revenues could increase by \$19,000 if the sales tax is approved.

In response to similar legislation filed this year, SB 773, officials from the **City of Liberty** state if approved, this would generate \$1.75 million per year x 3 years for a total of \$5.25 million. Liberty would use these proceeds to fund only incremental police and fire expenses.

**Oversight** notes that North Kansas City's 1.5% sales tax generated \$4,526,375 in revenue in FY 2013. Oversight assumes a .5% additional sales tax would generate \$1.5 million per year.

§§ 115.135, 115.277, 115.283 and 115.912 Military Voters and Address Confidentiality Program

In response to the previous version of this proposal, officials at the **Clay County Board of Election Commission**, the **Jackson County Board of Election Commission**, **Lincoln County**, the **Platte County Board of Election Commission**, the **Office of the Secretary of State** and the **St. Louis County Board of Election Commission** each assume there is no fiscal impact to their respective organizations from this proposal.

Officials at the following boards of election commissions: Kansas City Board of Election Commission and the St. Louis City Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

§§ 116.332, 116.333 and 116.334 Signatures on Sample Sheets

**Oversight** assumes this requires at least 5,000 signatures in support of the proposal be filed with the sample ballot sheets. Oversight assumes these changes would not have a fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**GENERAL REVENUE FUND**

Department of Revenue

1% Collection Fee (67.585)	\$0 or \$21,000	\$0 or \$21,000	\$0 or \$21,000
1% Collection Fee (94.902)	\$0 or \$17,500	\$0 or \$17,500	\$0 or \$17,500
1% Collection Fee (94.902)	<u>\$0 or \$15,000</u>	<u>\$0 or \$15,000</u>	<u>\$0 or \$15,000</u>

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0 Up to</u> <u>\$53,500</u></b>	<b><u>\$0 Up to</u> <u>\$53,500</u></b>	<b><u>\$0 Up to</u> <u>\$53,500</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Additional Revenue</u> - Liberty recreation center sales and use tax Section 67.585	\$0 or Up to \$2,100,000	\$0 or Up to \$2,100,000	\$0 or Up to \$2,100,000
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<u>Additional Revenue</u> - City of North Kansas City (§94.902) sales tax for public safety	\$0 or \$1,500,000	\$0 or \$1,500,000	\$0 or \$1,500,000
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<u>Additional Revenue</u> - City of Liberty (§94.902) sales tax for public safety	\$0 or <u>\$1,750,000</u>	\$0 or <u>\$1,750,000</u>	\$0 or <u>\$1,750,000</u>
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or Up to</u> <u>\$5,350,000</u></b>	<b><u>\$0 or Up to</u> <u>\$5,350,000</u></b>	<b><u>\$0 or Up to</u> <u>\$5,350,000</u></b>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

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### FISCAL DESCRIPTION

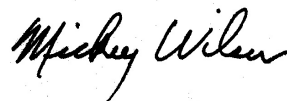
§67.585 - The proposal would authorize, upon voter approval, the creation of a Recreational and Community Center District that includes only the area encompassed by the Liberty School District, and a sales tax not to exceed .5% on all retail sales made within the recreational and community center district for funding the construction, maintenance, operation, and purchase of equipment for community centers and other purposes of recreation and wellness as determined by the board.

§94.902 - Would allow a sales tax for public safety in Liberty and North Kansas City.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

City of Kansas City  
City of Liberty  
Department of Revenue  
Clay County Board of Election Commission  
Jackson County Board of Election Commission  
Lincoln County  
Office of Administration  
    Division of Budget and Planning  
Office of the Secretary of State  
Platte County Board of Election Commission  
St. Louis County Board of Election Commission  
University of Missouri  
    Economic and Policy Analysis Research Center



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May 12, 2014

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